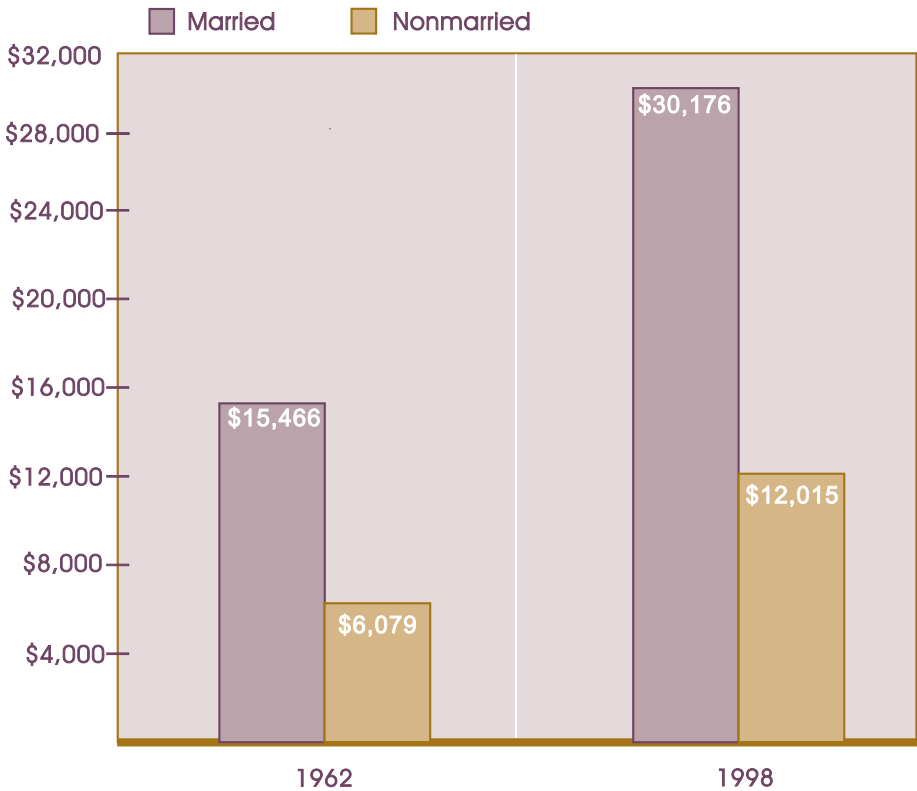


Income of the Aged Population

Size of Income

Median income of aged units, 1962 and 1998. Median annual income for both married couples and nonmarried persons increased markedly from 1962 (the earliest year for which data are available) to 1998. Even after adjusting for inflation, median income rose 95% for married couples and 98% for nonmarried persons.

Median income of aged units (1998 dollars)

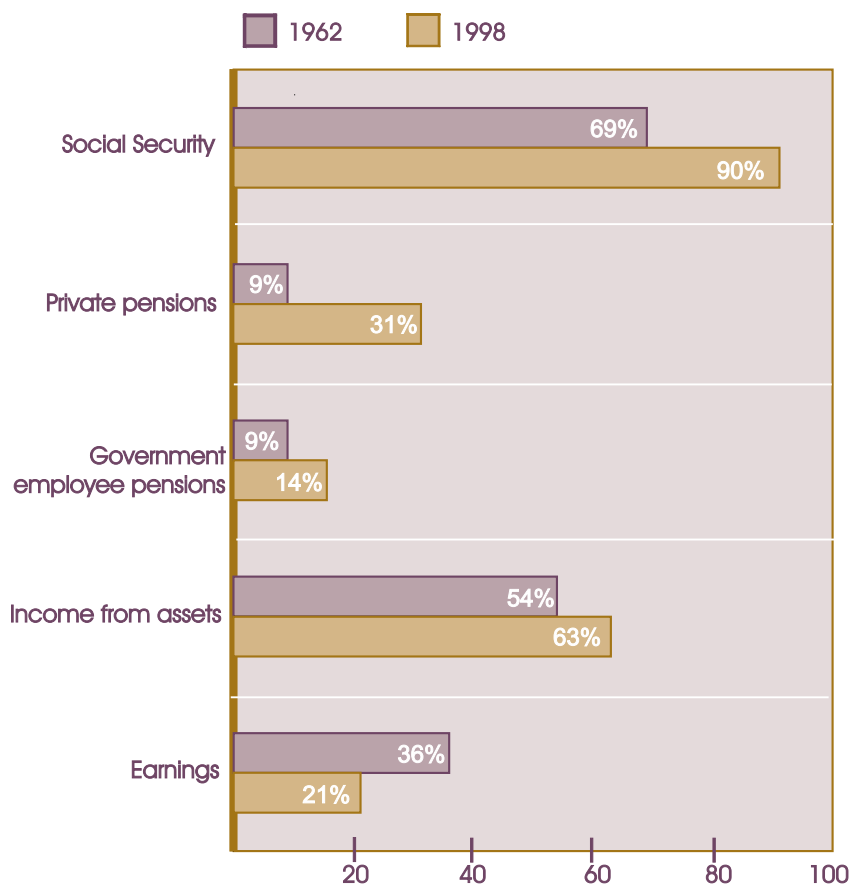


Income of the Aged Population

Receipt of Income

Sources of income, 1962 and 1998. Social Security benefits, which were the most common source of income in 1962, are now almost universal. The proportion of aged units with asset income, the next most common source, has grown from about one-half to nearly two-thirds. Over the 30-year period, receipt of private pensions has more than tripled and receipt of government pensions has increased by over 50 percent. A smaller proportion of couples and nonmarried persons aged 65 or older received earnings in 1998 than in 1962.

Percent of aged units receiving income from various sources



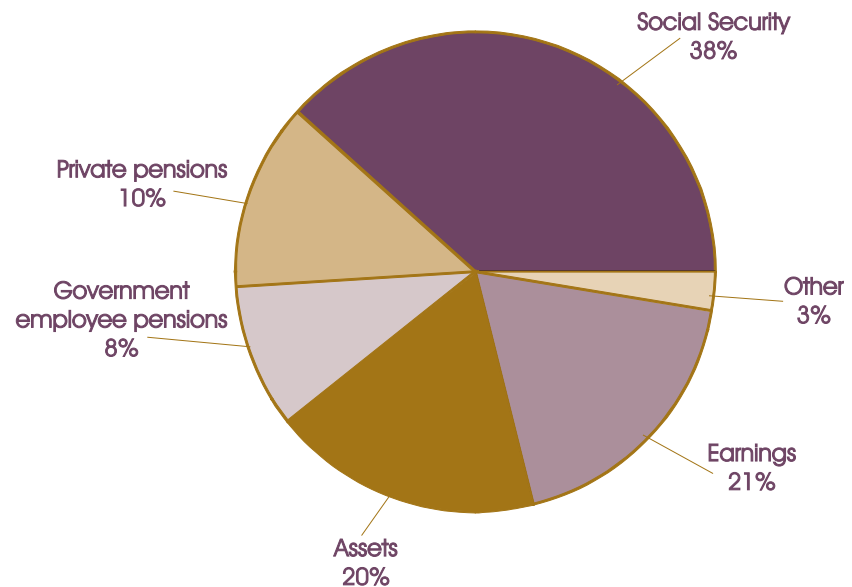
Income of the Aged Population

Shares of Aggregate Income

Proportion of income from various sources, 1962 and 1998.

In 1962, Social Security, private and government employee pensions, income from assets, and earnings comprised only 84% of the total income of the aged, compared with 96% in 1998. Although they still accounted for only a small proportion of total income in 1998, private pensions more than tripled their share in the period—from 3% to 10%. The share from earnings declined from 28% to 21%.

Percent of aggregate income of the aged from various sources, 1998

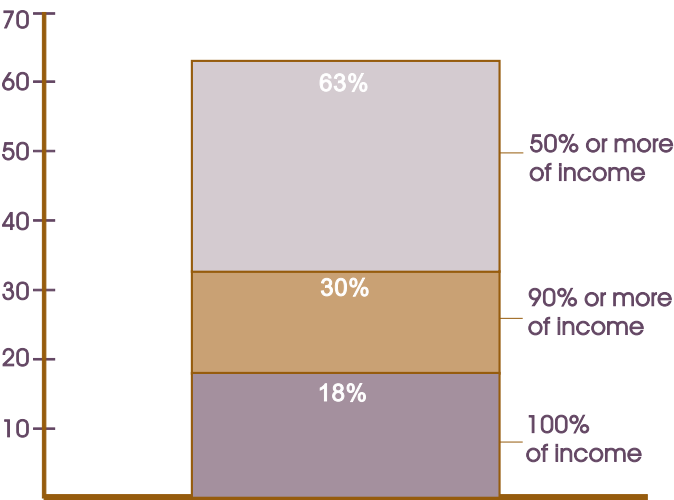


Income of the Aged Population

Reliance on Social Security

Importance of benefits, 1998. The OASDI program paid benefits to 90% of those aged 65 or older in 1998. It was the major source of income (providing at least 50% of total income) for 63% of the beneficiary units (couples or nonmarried persons), and it was the only source of income for 18%.

Percent of beneficiary units with Social Security benefits as a major source of income, 1998



Benefits Affect Poverty

Benefits reduce poverty rates, 1998. About two-fifths of the aged were kept out of poverty by Social Security benefits in 1998, a proportion that varies little by marital status or race. Overall, 9% of aged beneficiaries were poor; without Social Security, the total poverty rate would have been 48%. (Data are based on family income rather than aged person income to conform to official measures of poverty.)

Aged units and poverty status

